

RISING COST OF LIVING TOP REASON FOR FAILED LIFE GOALS

More than half of 40 year olds put their dashed dreams (such as owning a property and being debt free) down to rising living costs (55%) according to the latest research from leading online broker Selftrade. The findings come at a time when Britons have had no choice but to dip into their savings in order to meet the recent cost of living hikes* and as a result, people are being forced to delay their retirement or put their future plans on hold.

Previous research from Selftrade revealed that 70 per cent of Britons had hoped to have enough money not to worry about bills by the time they were 40 years old, but less than a third have actually achieved this (29%).

Selftrade has launched a new research based campaign called 'Plan B' to encourage Britons who find themselves at a crossroads to regain control of their finances. The execution-only broker asked a GB representative sample of adults aged 40 and above, where they had aspired to be by the time they were 40 years old while they were in their teens and early twenties, and also what had happened in their lives to prevent those goals from coming true.

Looking back...what went wrong?

- Not taking proper control of their finances was a top regret of Britons over 40; a third blame their lack of financial management for not reaching their goals in life (33%).
- With the news that UK personal debt totals being close to £1.5 trillion**, more than one in five Britons believe their own debt became so out of control they lost sight of their goals as a result (26%).
- More than one in five Britons over the age of 40 believe that their divorce prevented them from reaching their goal of becoming debt free (26%).

- As news breaks that close to three million Britons will be unemployed by 2010 *, almost two in ten people over 40 have said that their redundancy was the reason they had failed to achieve their life ambitions (19%).
- 17 per cent of Britons are kicking themselves for not investing in a pension early enough, leaving them ill-prepared for their retirement.

Previous research from Selftrade revealed the top targets in life that Britons wanted to realise were as below;

Life goals that Britons wanted to achieve by the time they were 40 years old	Total %
Be in good health	75%
Be happy	76%
Be happily married	71%
Have enough money not to worry about monthly bills	70%
Own a property	67%
Have children	59%
Be debt free	53%
Excel in my chosen career	34%
Travelled the world	32%
Take up a hobby that I enjoy doing in my spare time	32%
Have a clear aim of when I will retire	26%
Have my own business	11%
Own a holiday home	11%
Have already retired	4%

Dr Stephen Barber, Head of Research at Selftrade commented:

“With more than one in twenty Britons blaming poor investment decisions for not fulfilling their aspirations, our findings show that it pays to be financially prepared and make investments work harder to save any disappointments later on in life and to have an alternative plan for when things do not work out as intended.

“With the rising cost of living being labelled as the top reason for why Britons have not attained their life goals, being in control of finances has never been more important. Britons looking for a modern approach to their financial planning should take advantage of tax efficient accounts such as ISAs and Self-Invested Personal Pensions (SIPPs) which put you in the driving seat.

“Selftrade is determined to provide people with the financial information, research, webcasts and tools to help them decide upon their own ‘Plan Bs’. This will make Britons more aware of the investment options available, leaving them better prepared for their future and able to regain control of their destiny.”

Reasons Britons over the age of 40 blame for not reaching their life goals.

What reasons Britons over the age of 40 blame for their life goals not coming true	%
Cost of living became too high for them to save	55%
They didn't take proper control of their finances	33%
Debt got out of control	26%
They got divorced	26%
They changed career and had to start at the bottom again	25%
They were made redundant	19%
They didn't invest in a pension early enough	17%
They became ill and had to pay for healthcare costs	7%
They had to care for an elderly relative	6%
They made bad investment decisions	6%
Their house was repossessed	3%
Their business went bankrupt	1%
A family member died and they lost a lot of money to inheritance tax	1%

For further information or interviews please contact FD Consumer Dynamics:

Lindsay Wienand	0207 269 7265	Lindsay.Wienand@fd.com
Connie Jackman	0207 269 7190	Connie.Jackman@fd.com

- ENDS -

Notes to Editors

Research was undertaken by YouGov amongst a weighted, GB representative sample of 1,954 people.

Sources

* <http://business.timesonline.co.uk/tol/business/economics/article4854282.ece>

The Times, 1 October 2008 'Britons forced to dip into savings for first time since 1958'

Hard-up families are being forced to run down their savings for the first time since the late 1950s to meet soaring living costs.

** http://news.bbc.co.uk/1/hi/in_depth/business/borrowing_debt/default.stm

BBC online, 7 November 2008, 'Debt in numbers'

UK personal debt totals close to £1.5 trillion.

*** <http://news.bbc.co.uk/1/hi/business/7732223.stm>

BBC Online, 17 November 2008, "Close to 3m unemployed by 2010"

"The UK's recession will be tougher and longer than first thought, the business group CBI has warned. It estimates that the economy will shrink by 1.7% in 2009, a dramatic downgrade from the forecast of 0.3% growth the CBI gave in September.

The group added that unemployment could peak at close to 2.9 million by 2010, up from 1.8 million at present."

About Selftrade:

The Selftrade website (www.selftrade.co.uk) offers Britons choice so they can take total control of their finances, leaving them with the peace of mind that they know exactly where their money is and safe in the knowledge that they are investing in their future.

Selftrade offers customers a range of accounts, designed to suit different investment needs. By applying online and funding an account with a debit card, people can be trading and in total control of their financial future in just 10 minutes. Whether people choose to deal online, by phone or via the internet on their mobile, they will pay the same flat fee of £12.50 for each trade.

- Selftrade is one of the UK's largest execution-only stockbrokers.
- Customers can manage their investments in Dealing, Shares ISA, and SIPP Dealing accounts. Child Trust Funds, Child SIPP, Company Dealing and Investment Club

accounts are also available. A CFD and spread betting service is provided in conjunction with City Index.

Selftrade is a trading name of Talos Securities Limited, which is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange and PLUS Markets.